



Legislation Text

File #: Res 0551-2006, **Version:** *

Res. No. 551

Resolution calling upon the federal government to conduct an investigation into the corporate actions at Consolidated Edison, Inc. and, if necessary, to appoint a federal monitor to ensure the company's lawful operation.

By Council Members Vallone Jr., Dickens, Fidler, James, Mealy, Nelson, Sanders Jr., Seabrook, Sears and Gerson

Whereas, Consolidated Edison, Inc. ("Con Ed") provides electrical power, natural gas, and steam heat distribution to most of New York City; and

Whereas, During the July 2006 blackout in Northwest Queens ("2006 blackout"), when approximately 100,000 New Yorkers suffered from unrelenting heat, damage to electrical appliances, loss of perishable goods, and staggering losses of business income, Con Ed failed to accurately assess the extent of the crisis; and

Whereas, That failure impeded the coordination of an appropriate response; and

Whereas, Con Ed also failed to inform government officials of the release of asbestos into the air following a steam pipe explosion in 1989; and

Whereas, Despite the fact that the 1989 steam pipe explosion killed three people and showered parts of Manhattan's East Side with dangerous asbestos fibers, Con Ed assured nearby residents that nearby apartments were entirely safe for habitation, when in fact large amounts of cancer-causing asbestos had infiltrated those apartments; and

Whereas, In sentencing Con Ed to three years of probation and fining the utility \$2 million, federal Judge John S. Martin found that Con Ed failed to comply with federal environmental regulations requiring the utility to inform government officials about the release of asbestos into the air and was quoted in The New York Times accusing a top company official of willfully "blind[ing] himself to what was so obvious to anyone who

looked at the record;” and

Whereas, Judge Martin then appointed a federal monitor to oversee Con Ed’s compliance with the law and to extensively review all of the company’s protocols between 1994 and 1997; and

Whereas, In 1996, court-appointed monitor Mitchell Bernard issued a report finding that Con Ed was making “a conscious decision to violate applicable regulations to suit operational needs” and cited instances of “failure to correct known problems,” lamenting that “the core of compliance, the value or ethic that holds the program together, is hard to instill, especially in a company that has placed such emphasis on... ‘making the megawatt;’” and

Whereas, Con Ed’s failures related to the 2006 blackout indicate that the utility continues to have insufficient concern for New Yorkers, their health, and their livelihoods; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the federal government to conduct an investigation into the corporate actions at Consolidated Edison, Inc. and, if necessary, to appoint a federal monitor to ensure the company’s lawful operation.

BRS
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10/02/06